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Regular Session Agenda  
Wednesday, June 15, 2016

<b><u>Call to Order:</u></b>	3:30
<b><u>Employee Recognition:</u></b>	3:31
• Employee and Team of the Quarter	
<b><u>Patient Story:</u></b> Jackie Mossakowski	3:40
<b><u>Public Comment:</u></b>	3:45
<i>(Alternative methods of providing public comment on any item on the agenda or any other hospital issue is through a letter addressed to Commissioners at 834 Sheridan Street, Port Townsend, WA 98368 or email to Commissioners at <a href="mailto:commissioners@jgh.org">commissioners@jgh.org</a>)</i>	
<b><u>2015 Financial Audit Report:</u></b>	3:50
• Dingus, Zarecor & Associates PLLC	
<b><u>Financial Report:</u></b> Hilary Whittington	4:30
• April & May (pages 2-3)	
<b><u>Minutes:</u></b> Action Requested	4:45
• May 3 Special Session (pages 4-10)	
• May 4 Regular Session (pages 11-12)	
<b><u>Required Approvals:</u></b> Action Requested	4:50
• Medical Staff Credentials/Appointments/Reappointments (page 13)	
• Medical Staff Policies (pages 14-16)	
• April & May Warrants and Adjustments (pages 17-24)	
• Resolution 2016- 14 Cancel April & May warrants (page 25)	
• Emergency Chief Executive Officer Succession Policy (page 26)	
<b><u>Administrator's Report:</u></b> Mike Glenn	4:55
<b><u>Chief Medical Officer Report:</u></b> Joe Mattern, MD	5:00
<b><u>Board Reports:</u></b>	5:05
<b><u>Conclude:</u></b>	5:15

This Regular Session will be officially audio recorded.

	April 2016 Actual	April 2016 Budget	Variance Favorable/ (Unfavorable)	%	April 2016 YTD	April 2016 Budget YTD	Variance Favorable/ (Unfavorable)	%	April 2015 YTD
<b>Gross Revenue</b>									
Inpatient Revenue	2,943,508	3,297,625	(354,116)	-11%	11,304,802	13,190,498	(1,885,696)	-14%	12,536,247
Outpatient Revenue	10,785,738	11,360,563	(574,825)	-5%	45,012,568	45,442,251	(429,684)	-1%	39,777,642
<b>Total Gross Revenue</b>	<b>13,729,246</b>	<b>14,658,187</b>	<b>(928,941)</b>	<b>-6%</b>	<b>56,317,370</b>	<b>58,632,749</b>	<b>(2,315,380)</b>	<b>-4%</b>	<b>52,313,889</b>
<b>Revenue Adjustments</b>									
Cost Adjustment Medicaid	1,818,825	1,781,869	(36,956)	-2%	6,770,733	7,127,474	356,741	5%	6,680,838
Cost Adjustment Medicare	4,587,286	4,345,370	(241,916)	-6%	18,412,292	17,381,481	(1,030,811)	-6%	15,896,906
Charity Care	133,486	97,917	(35,570)	-36%	337,417	391,666	54,250	14%	420,751
Contractual Allowances Other	841,372	1,060,791	219,419	21%	3,665,825	4,243,163	577,338	14%	3,769,256
Administrative Adjustments	(238,383)	16,940	255,322	1507%	67,759	67,760	0	0%	194,711
Adjust Bad Debt	168,309	340,615	172,306	51%	1,025,572	1,362,460	336,889	25%	1,287,829
<b>Total Revenue Adjustments</b>	<b>7,310,895</b>	<b>7,643,501</b>	<b>332,606</b>	<b>4%</b>	<b>30,279,597</b>	<b>30,574,004</b>	<b>294,407</b>	<b>1%</b>	<b>28,250,291</b>
<b>Net Patient Service Revenue</b>	<b>6,418,351</b>	<b>7,014,686</b>	<b>(596,336)</b>	<b>-9%</b>	<b>26,037,772</b>	<b>28,058,745</b>	<b>(2,020,973)</b>	<b>-7%</b>	<b>24,063,598</b>
<b>Other Revenue</b>									
340B Revenue	90,352	369,393	(279,041)	-76%	942,352	1,477,574	(535,222)	-36%	1,341,411
Meaningful Use Ehr Incentive	-	14,399	(14,399)	-100%	-	57,596	(57,596)	-100%	47,040
Other Operating Revenue	85,769	89,231	(3,462)	-4%	315,038	356,923	(41,885)	-12%	332,696
<b>Total Operating Revenues</b>	<b>6,594,472</b>	<b>7,487,709</b>	<b>(893,238)</b>	<b>-12%</b>	<b>27,295,162</b>	<b>29,950,838</b>	<b>(2,655,676)</b>	<b>-9%</b>	<b>25,784,745</b>
<b>Operating Expenses</b>									
Salaries And Wages	3,368,119	3,650,373	282,254	8%	13,411,864	14,601,494	1,189,630	8%	12,872,726
Employee Benefits	665,038	890,691	225,653	25%	3,424,954	3,562,764	137,810	4%	3,155,587
Professional Fees	304,324	264,334	(39,990)	-15%	1,247,990	1,057,337	(190,654)	-18%	1,025,191
Purchased Services	448,882	509,047	60,165	12%	1,611,307	2,036,190	424,882	21%	1,309,190
Supplies	1,017,710	1,054,033	36,324	3%	3,764,548	4,216,134	451,585	11%	3,730,279
Insurance	53,474	59,307	5,833	10%	219,941	237,226	17,285	7%	167,646
Leases And Rentals	115,136	120,268	5,131	4%	461,366	481,070	19,704	4%	392,335
Depreciation And Amortization	349,765	325,030	(24,735)	-8%	1,392,880	1,300,122	(92,758)	-7%	1,400,749
Repairs And Maintenance	64,585	74,528	9,943	13%	182,498	298,112	115,615	39%	273,866
Utilities	66,175	79,674	13,499	17%	251,643	318,697	67,054	21%	267,374
Licenses And Taxes	43,074	60,016	16,942	28%	190,131	240,064	49,933	21%	225,617
Other	102,091	157,549	55,457	35%	512,011	630,195	118,184	19%	449,993
<b>Total Operating Expenses</b>	<b>6,598,373</b>	<b>7,244,851</b>	<b>646,478</b>	<b>9%</b>	<b>26,671,133</b>	<b>28,979,403</b>	<b>2,308,270</b>	<b>8%</b>	<b>25,270,553</b>
<b>Operating Income (Loss)</b>	<b>(3,901)</b>	<b>242,859</b>	<b>(246,760)</b>	<b>-102%</b>	<b>624,029</b>	<b>971,435</b>	<b>(347,406)</b>	<b>-36%</b>	<b>514,192</b>
<b>Non Operating Revenues (Expenses)</b>									
Taxation For Maint Operations	13,751	21,516	(7,765)	-36%	57,039	86,063	(29,024)	-34%	56,953
Taxation For Debt Service	20,909	14,481	6,428	44%	84,319	57,926	26,393	46%	86,360
Investment Income	6,909	3,146	3,764	120%	32,881	12,583	20,298	161%	13,508
Interest Expense	(28,292)	(52,334)	24,042	46%	(113,649)	(209,336)	95,687	46%	(133,403)
Bond Issuance Costs	-	-	-	0%	-	0	-	0%	-
Gain or (Loss) on Disposed Asset	-	-	-	0%	43,249	0	43,249	0%	-
Contributions	4,537	12,366	(7,829)	-63%	17,281	49,464	(32,183)	-65%	33,145
<b>Total Non Operating Revenues (Expenses)</b>	<b>17,815</b>	<b>(825)</b>	<b>18,639</b>	<b>2260%</b>	<b>121,121</b>	<b>(3,299)</b>	<b>124,420</b>	<b>3771%</b>	<b>56,563</b>
<b>Change in Net Position (Loss)</b>	<b>13,913</b>	<b>242,034</b>	<b>(228,120)</b>	<b>-94%</b>	<b>745,149</b>	<b>968,135</b>	<b>(222,986)</b>	<b>-23%</b>	<b>570,756</b>

	May 2016 Actual	May 2016 Budget	Variance Favorable/ (Unfavorable)	%	May 2016 YTD	May 2016 Budget YTD	Variance Favorable/ (Unfavorable)	%	May 2015 YTD
<b>Gross Revenue</b>									
Inpatient Revenue	2,618,896	3,297,625	(678,728)	-21%	13,923,698	16,488,123	(2,564,425)	-16%	15,018,163
Outpatient Revenue	12,829,520	11,360,563	1,468,957	13%	57,842,087	56,802,814	1,039,273	2%	50,066,140
<b>Total Gross Revenue</b>	<b>15,448,416</b>	<b>14,658,187</b>	<b>790,229</b>	<b>5%</b>	<b>71,765,785</b>	<b>73,290,937</b>	<b>(1,525,151)</b>	<b>-2%</b>	<b>65,084,303</b>
<b>Revenue Adjustments</b>									
Cost Adjustment Medicaid	1,753,239	1,781,869	28,630	2%	8,523,972	8,909,343	385,371	4%	8,101,796
Cost Adjustment Medicare	4,751,259	4,345,370	(405,889)	-9%	23,163,551	21,726,851	(1,436,700)	-7%	19,859,162
Charity Care	67,900	97,917	30,016	31%	405,317	489,583	84,266	17%	490,592
Contractual Allowances Other	1,126,456	1,060,791	(65,666)	-6%	4,792,281	5,303,954	511,672	10%	4,731,516
Administrative Adjustments	15,301	16,940	1,639	10%	83,060	84,699	1,639	2%	38,434
Adjust Bad Debt	294,363	340,615	46,252	14%	1,319,934	1,703,075	383,141	22%	1,711,583
<b>Total Revenue Adjustments</b>	<b>8,008,519</b>	<b>7,643,501</b>	<b>(365,017)</b>	<b>-5%</b>	<b>38,288,116</b>	<b>38,217,505</b>	<b>(70,610)</b>	<b>0%</b>	<b>34,933,084</b>
<b>Net Patient Service Revenue</b>	<b>7,439,897</b>	<b>7,014,686</b>	<b>425,211</b>	<b>6%</b>	<b>33,477,670</b>	<b>35,073,431</b>	<b>(1,595,762)</b>	<b>-5%</b>	<b>30,151,219</b>
<b>Other Revenue</b>									
340B Revenue	326,329	369,393	(43,065)	-12%	1,268,680	1,846,967	(578,287)	-31%	1,724,634
Meaningful Use Ehr Incentive	21,250	14,399	6,851	48%	21,250	71,995	(50,745)	-70%	47,040
Other Operating Revenue	95,297	89,231	6,066	7%	410,335	446,154	(35,819)	-8%	420,147
<b>Total Operating Revenues</b>	<b>7,882,773</b>	<b>7,487,709</b>	<b>395,064</b>	<b>5%</b>	<b>35,177,935</b>	<b>37,438,547</b>	<b>(2,260,612)</b>	<b>-6%</b>	<b>32,343,039</b>
<b>Operating Expenses</b>									
Salaries And Wages	3,424,894	3,650,373	225,479	6%	16,836,758	18,251,867	1,415,109	8%	16,117,608
Employee Benefits	1,008,988	890,691	(118,297)	-13%	4,433,942	4,453,455	19,513	0%	4,036,161
Professional Fees	389,273	264,334	(124,939)	-47%	1,637,263	1,321,671	(315,592)	-24%	1,263,143
Purchased Services	609,481	509,047	(100,433)	-20%	2,220,788	2,545,237	324,449	13%	1,758,686
Supplies	983,942	1,054,033	70,092	7%	4,748,490	5,270,167	521,677	10%	4,665,180
Insurance	53,552	59,307	5,755	10%	273,493	296,533	23,040	8%	235,080
Leases And Rentals	112,776	120,268	7,491	6%	574,142	601,338	27,196	5%	504,990
Depreciation And Amortization	355,810	325,030	(30,780)	-9%	1,748,690	1,625,152	(123,538)	-8%	1,773,688
Repairs And Maintenance	39,443	74,528	35,086	47%	221,940	372,640	150,700	40%	340,776
Utilities	66,104	79,674	13,570	17%	317,748	398,371	80,623	20%	340,746
Licenses And Taxes	48,359	60,016	11,657	19%	238,490	300,079	61,589	21%	278,787
Other	144,574	157,549	12,975	8%	656,584	787,743	131,159	17%	646,588
<b>Total Operating Expenses</b>	<b>7,237,196</b>	<b>7,244,851</b>	<b>7,655</b>	<b>0%</b>	<b>33,908,329</b>	<b>36,224,254</b>	<b>2,315,925</b>	<b>6%</b>	<b>31,961,434</b>
<b>Operating Income (Loss)</b>	<b>645,577</b>	<b>242,859</b>	<b>402,719</b>	<b>166%</b>	<b>1,269,606</b>	<b>1,214,293</b>	<b>55,313</b>	<b>5%</b>	<b>381,606</b>
<b>Non Operating Revenues (Expenses)</b>									
Taxation For Maint Operations	16,022	21,516	(5,494)	-26%	73,061	107,579	(34,518)	-32%	69,989
Taxation For Debt Service	21,360	14,481	6,879	48%	105,679	72,407	33,272	46%	107,689
Investment Income	6,501	3,146	3,355	107%	39,382	15,729	23,653	150%	20,179
Interest Expense	(149,858)	(52,334)	(97,524)	-186%	(263,507)	(261,670)	(1,837)	-1%	(164,599)
Bond Issuance Costs	-	-	-	0%	-	0	-	0%	(153,300)
Gain or (Loss) on Disposed Asset	2,000	-	2,000	0%	45,249	0	45,249	0%	-
Contributions	3,650	12,366	(8,716)	-70%	20,931	61,831	(40,899)	-66%	428,461
<b>Total Non Operating Revenues (Expenses)</b>	<b>(100,325)</b>	<b>(825)</b>	<b>(99,500)</b>	<b>-12063%</b>	<b>20,796</b>	<b>(4,124)</b>	<b>24,920</b>	<b>604%</b>	<b>308,420</b>
<b>Change in Net Position (Loss)</b>	<b>545,253</b>	<b>242,034</b>	<b>303,219</b>	<b>125%</b>	<b>1,290,402</b>	<b>1,210,169</b>	<b>80,233</b>	<b>7%</b>	<b>690,025</b>

**Jefferson County Public Hospital District No.2  
Board of Commissioners  
Special Session Minutes  
May 3, 2016  
Jefferson Healthcare Conf Room  
2500 W. Sims Way suite 302**

**Call to Order**

The meeting was called to order at 10:30 am by Chief Governing Officer Buhler. Present were Commissioners Buhler, De Leo, Dressler, Kolff and Ready. Also present were Bertha Cooper, Facilitator, and Suzy White, Administrative Assistant. The meeting was officially audio recorded by Jefferson Healthcare.

Commissioner Buhler announced the purpose of this work session is to review and possibly revise Jefferson Healthcare Governance policies and bylaws. Action may be taken.

Ms. Cooper reviewed the process for today's meeting. Commissioners agreed to approve each section by consensus.

Commissioners discussed final revisions to The Board Book prepared by Commissioner Buhler.

**Preamble**

With no objections consensus was reached on the "Preamble" section.

**Table of Contents**

Ms. Cooper distributed a draft table of contents for review.

**Mission, Vision, Values**

With one objection, Commissioner Ready, consensus was reached on the edits discussed in the "Mission, Vision, Values" section.

Commissioner Dressler made a motion to accept the "Mission, Vision, Values" statement as written excluding the three bullet points under the Mission statement. Commissioner De Leo seconded the motion.

**Action:** Motion passed 3 to 2 with Commissioners Kolff & Ready opposed.

**It's the Law**

With no objections consensus was reached on the "It's The Law" section.

**The District**

Consensus process and definition was discussed. Commissioners agreed to take a formal vote from this point forward.

Commissioner Dressler made a motion to approve the suggested additions adding quotes to "The District" and "The Board" as discussed. Commissioner De Leo seconded the motion.

**Action:** Motion passed unanimously.

### The Board

Commissioner De Leo made a motion to approve "The Board" section as amended.

Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

Commissioner Ready made an amendment to approve additional edits to "The Board" section as discussed. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

### A Commissioner

Commissioner De Leo made a motion to approve "A Commissioner" section as submitted.

Commissioner Dressler seconded.

Commissioner Ready made a motion to amend to modify third paragraph and keep „Each Commissioner will abide by all applicable state and federal laws“. And remove last sentence in fifth paragraph. Commissioner Kolff seconded.

**Action:** Amendment failed 2 to 3 Commissioners De Leo, Dressler & Buhler opposed.

Commissioner Kolff made a motion to amend to remove the last sentence in fifth paragraph of the "A Commissioner" section. Commissioner Ready seconded.

**Action:** Motion passed 3 to 2 Commissioners De Leo & Dressler opposed.

Commissioner Kolff made an amendment to add to fifth paragraph that „each commissioner will be allowed to express their personal opinion“. Commissioner Ready seconded.

**Action:** Motion failed 2 to 3 Commissioners De Leo, Dressler, & Buhler opposed.

Commissioner De Leo made a motion to approve "A Commissioner" section as amended with last line in fifth paragraph deleted and capital E changed to e. Seconded by Commissioner Dressler.

**Action:** Motion failed 3 to 2. Commissioners De Leo, Dressler and Ready opposed.

Commissioner De Leo made a motion to adopt "A Commissioner" section as submitted, correcting typo. Commissioner Dressler seconded.

**Action:** Motion passed 3 to 2. Commissioners Ready and Kolff opposed.

### Board Code of Conduct

Commissioner De Leo made a motion to approve "Board Code of Conduct" section as submitted. Commissioner Dressler seconded.

Commissioner Buhler made an amendment to the fourth paragraph to delete the third bullet. Commissioner De Leo seconded the amendment.

**Action:** Motion passed unanimously.

Commissioner De Leo made an amendment to the fourth paragraph, fourth bullet to delete the words „or comment on“. Commissioner Kolff seconded the amendment.

**Action:** Motion passed unanimously.

Commissioner De Leo's main motion to approve "Board Code of Conduct" section as submitted. and seconded by Commissioner Dressler.

**Action:** Motion passed unanimously.

### Board Operating Budget

Commissioner De Leo made a motion to approve “Board Operating Budget” section as submitted. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

### Board Officers

Commissioner Buhler recommends deleting the second paragraph. Commissioner De Leo made a motion to approve Board Officers section as amended to delete second paragraph and add quotes to “Chair” and “Secretary”. Commissioner Dressler seconded.

Commissioner Kolff made an amendment to add the sentence „The Board shall attempt to offer each Commissioner an equal opportunity to serve as Chair and Secretary during their term of office”. Amendment died for lack of second.

Commissioner De Leo’s main motion to approve “Board Officers” section as amended and seconded by Commissioner Dressler.

**Action:** Motion passed 4 to 1. Commissioner Kolff opposed.

### Board Meetings

Commissioner De Leo made a motion to approve “Board Meetings” section as amended to add at the end of the last sentence „for issues not requiring formal Board action”. Commissioner Kolff seconded.

**Action:** Amendment failed 4 to 1. Commissioner De Leo in favor.

Commissioner Dressler made an amendment to the second to the last paragraph to delete the last sentence. Commissioner De Leo seconded the amendment.

**Action:** Amendment failed unanimously.

Commissioner Kolff made an amendment to the second to the last paragraph to delete the words „by Resolution, as required, or” in the first sentence. Commissioner Ready seconded the amendment.

**Action:** Amendment passed 4 to 1. Commissioner De Leo opposed.

### Board Agenda Creation

Commissioner De Leo made a motion to approve “Board Agenda Creation” section as modified in the first sentence to read „no less than seven business days”. Commissioner Dressler seconded.

**Action:** Motion passed 4 to 1. Commissioner Ready abstained.

### Board Appointed Officers

Commissioner De Leo made a motion to approve “Board Appointed Officers” section as submitted. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

### Medical Staff Appointments

Commissioner De Leo made a motion to approve “Medical Staff Appointments” section as submitted. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

### Community Collaboration

Commissioner De Leo made a motion to approve "Community Collaboration" section as submitted. Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

### Board Development and Keeping the Board Informed

Commissioner De Leo made a motion to approve "Board Development and Keeping the Board Informed" section as amended by deleting Editor's note at the end of the first bullet. Commissioner Kolff seconded.

Commissioner Kolff made an amendment to change the first sentence to read „A new Commissioner orientation will be used to prepare new commissioners with knowledge and understanding of the services provided by District and to change the second sentence to read „The CEO and Board Chair will design the orientation schedule to accomplish the objective. Commissioner Ready seconded the amendment.

**Action:** Amendment passed 4 to 1. Commissioner De Leo opposed.

Commissioner Dressler made an amendment to the first paragraph to delete „Examples are:" and the three bullets that follow. Commissioner Kolff seconded.

**Action:** Motion passed unanimously.

Commissioner Kolff made a motion to remove SLG from anywhere in the document and change CEO to The CEO and change BOC to The Board. Commissioner De Leo seconded.

**Action:** Motion passed unanimously.

At 12:31 pm Commissioner Buhler announced a 20 minute recess. At 12:55 pm Commissioner Buhler reconvened the meeting.

### Board Development and Keeping the Board Informed continued

Commissioner Buhler made a motion to amend the "Keeping the Board Informed" section: „To eliminate third bullet and numbers 1-5 and replace with Annually, in January, The Board will identify five administrative committees on subjects for which the Board has a direct level of involvement. Two commissioners shall serve on each committee. Each commissioner will list his or her preferences for Committee observation in order of interests, with the exception of the medical executive committee. The Board Chair will assign individual Commissioners to committees based as much as possible on the Commissioners preferences. Commissioners on the medical executive committee will rotate on a yearly basis staggered at 6 month intervals i.e. Jan/July. Commissioner De Leo seconded.

**Action:** Motion failed 2 to 3. Commissioners Kolff and Ready opposed. Commissioner Dressler abstained.

Commissioner Kolff made a motion to amend the "Keeping the Board Informed" section and replace the third bullet to say „Individual Commissioner observation of committees; 1. Annually, in January, The CEO and Board will identify committees that would be useful for Commissioner observation. 2. One or Two commissioners will be assigned to observe selected Committee meetings throughout the calendar year. Delete current #2 and #3. Commissioner Buhler seconded the motion.

**Action:** Motion passed 4 to 1. Commissioner Ready opposed.

Commissioner Ready made a motion to approve the "Board Development and Keeping the Board Informed" section as amended. Commissioner Kolff seconded the motion.

Commissioner Dressler made an amendment to keep current #4 and eliminate #5.  
Commissioner De Leo seconded the amendment.

**Action:** Motion passed 4 to 1. Commissioner Ready opposed.

Commissioner De Leo made an amendment to replace current #5 with assignments to committees will be made by the Chair and will be ratified by action of the Board. Commissioner Dressler seconded.

**Action:** Motion passed 3 to 2. Commissioners Kolff & Ready opposed.

Commissioner De Leo made a motion to adopt "Board Development and Keeping the Board Informed" section as amended. Commissioner Dressler seconded.

**Action:** Motion passed 4 to 1 Commissioner Ready opposed.

#### Board/CEO Interaction

Commissioner De Leo made a motion to approve "Board/CEO Interaction" section as submitted. Commissioner Dressler seconded.

Commissioner Kolff made an amendment to the last sentence, that requests will be directed to both the Board and the CEO, and the CEO retains the right to decline.

**Action:** Amendment died for lack of second.

Commissioner Dressler made a motion to adopt under "Board/CEO Interaction: the first four bullets from Ms. Cooper's Table of Contents, and move current first paragraph to "Board/JCH Employee Interaction" current section and change JHC employee to District. Commissioner Kolff seconded.

**Action:** Motion passed 4 to 1. Commissioner De Leo opposed.

#### Board/District Employee Interaction

Commissioner Dressler made a motion to approve the "Board/ District Employee Interaction" section as amended with the last paragraph from the "Board/CEO Interaction" moved to the first paragraph of the "Board/District Employee Interaction" as amended. Commissioner Kolff seconded.

Commissioner Buhler made an amendment to the fourth paragraph „The Chair and Commissioner who received complaint will decide if a possible violation of law, policy, or a potentially serious complaint, and will either convene executive session or discuss with CEO before convening an executive session". Commissioner De Leo seconded.

**Action:** Motion failed. Commissioner De Leo abstained.

Commissioner Kolff made an amendment to the fourth paragraph „The commissioner will review it with the Board Chair. The Chair and Commissioner who received complaint will discuss and assess the level of seriousness and any possible violation of law or district policy, or a serious complaint and will either convene executive session or discuss with CEO before convening executive session. Commissioner Ready seconded.

**Action:** Motion passed unanimously.

Commissioner Dressler's main motion to approve "Board/District Employee Interaction" as amended with the last paragraph from the "Board/CEO Interaction" moved to the first paragraph of the "Board/District Employee Interaction" as amended and seconded by Commissioner Kolff.

**Action:** Motion passed unanimously.



### Strategic Plan

Commissioner De Leo made a motion to approve “Strategic Plan” section as submitted.  
Commissioner Buhler seconded.

**Action:** Motion passed unanimously.

### CEO Performance Evaluation

Commissioner De Leo made a motion to approve “CEO Performance Evaluation” section as submitted. Commissioner Dressler seconded.

Commissioner Ready made an amendment to add the purpose statement to the “CEO Performance Evaluation” section. Commissioner Kolff seconded.

**Action:** Motion passed 4 to 1. Commissioner De Leo opposed.

Commissioner Kolff made an amendment to delete the last paragraph in the “CEO Performance Evaluation” section. Commissioner Buhler seconded.

**Action:** Motion passed 3 to 2. Commissioners De Leo and Dressler abstained.

Commissioner Kolff made a motion to adopt “CEO Performance Evaluation” section as amended. Commissioner Ready seconded.

**Action:** Motion passed unanimously.

### CEO Succession Plan

Commissioner De Leo made a motion to approve “CEO Succession Plan” section as submitted. Commissioner Kolff seconded.

**Action:** Motion passed unanimously.

### Board Self-Evaluation

Commissioner De Leo made a motion to approve “Board Self-Evaluation” section as submitted. Commissioner Kolff seconded.

Commissioner Buhler made an amendment to the third paragraph to add „At this time, Board performance will be determined through rigorous written evaluations by each commissioner for collective review“. The next paragraph will add in „March and September of each year“.

Commissioner Dressler seconded.

**Action:** Motion passed unanimously.

Ms. Cooper made suggestions on the format for the table of contents.

### Survivability

Change the word „policy“ to Board Book.

Commissioner De Leo made a motion this is the last edit prior to final approval. Motion died for lack of second.

Ms. Cooper reviewed next steps.

Commissioner Buhler will do edits to the final draft and send to Mike Glenn and Commissioners.

Commissioners shared their thoughts on this process.

**Conclude:**

Commissioner Dressler made a motion to conclude the meeting. Commissioner Ready seconded the motion.

Meeting concluded at 4:05 p m.

Approved by the Commission:

President of Commission: Jill Buhler \_\_\_\_\_

Secretary of Commission: Marie Dressler \_\_\_\_\_

DRAFT

**Jefferson County Public Hospital District No.2**  
**Board of Commissioners**  
**Regular Session Minutes**  
**Wednesday, May 4, 2016**  
**Jefferson Healthcare Conf Room**  
**2500 W. Sims Way suite 302**

**Call to Order:**

The meeting was called to order at 3:30 pm by Commissioner Buhler. Present were Commissioners Buhler, De Leo, Dressler, Kolff and Ready. Also present were Mike Glenn, CEO, Jackie Mossakowski, CNO, Lisa Holt, CAO, Brandie Manuel, Executive Director Quality, Kate Burke, Marketing Director, Joe Mattern, CMO, Molly Hong, Chief of Medical Staff, and Suzy White, Administrative Assistant. This meeting is being officially audio recorded by Jefferson Healthcare.

Commissioner De Leo suggested the psychiatric services report be first on the agenda. Commissioners agreed with the change.

**Psychiatric Services:**

Mike Glenn described the steps taken with the inpatient psychiatric opportunity, including the grant, financial implications, building and program challenges. Mr. Glenn recommends the Hospital decline the \$1.5 million grant and not proceed with construction of a 7 bed inpatient psychiatric unit. Commissioners' questions followed.

**Public Comment:**

Members of NAMI (National Alliance on Mental Illness) were present and shared their disappointment to decline the grant and spoke about the mental health needs in the community. Several Citizens spoke about their personal experiences with mental health issues.

**Psychiatric Services Continued:**

Commissioner De Leo made a motion in support of administration's recommendation to decline the \$1.5 million Department of Commerce grant and not proceed with the construction of a 7 bed inpatient psychiatric unit. Commissioner Dressler seconded the motion

**Action:** Motion passed unanimously.

Commissioner Dressler made a motion to direct administration to proceed with the planning and development of a 2 bed crisis and stabilization unit located within the acute care unit. Commissioner De Leo seconded the motion.

**Action:** Motion passed unanimously.

Commissioners thanked the public for attending today's meeting.

At 4:40 pm Commissioner Buhler announced a 10 minute recess. At 4:55 pm Commissioner Buhler reconvened the meeting.

**Patient Story:**

Jackie Mossakowski shared a story about the wonderful care a patient received in The Family Birth Center.

**Minutes:**

- April 20 Regular Session

Commissioner Ready made a motion to approve the April 20 regular session minutes as presented. Commissioner Kolff seconded the motion.

**Action:** Motion passed unanimously.

**Required Approvals:**

- Medical Staff Credentials/Appointments/Reappointments
- Medical Staff Policy

Commissioner Dressler made a motion to approve Medical Staff Credentials/ Appointments/Reappointments as presented and the medical staff policy as presented. Commissioner Ready seconded the motion.

**Action:** Motion passed unanimously.

**Washington Rural Health Collaborative:**

Hilary Whittington gave a presentation on the Washington Rural Health Collaborative including the benefits of membership, objectives, and accomplishments of the WRHC.

**Administrator’s Update:**

- ESSB Update

Aaron Vallat, Construction Planning Manager, gave a presentation on the progress of the Emergency and Specialty Services Building project. Hilary Whittington provided a financial update.

- Admin Update

Mike Glenn gave a brief presentation updating the Commissioners on the Port Ludlow Clinic ground breaking, CEO/Trustee Patient Safety Summit, Rhody Parade, and the ESSB shell space build out project.

**Board Reports:**

Commissioner Dressler reported on yesterday’s work session.

Commissioner Kolff reported on the successful community event last week on dental services and apologized for leaving the Board meeting early last week.

Commissioner Buhler distributed the March 17 Board of Health minutes.

**Conclude:**

Commissioner Dressler made a motion to conclude the meeting. Commissioner Kolff seconded the motion.

**Action:** Motion passed unanimously.

Meeting concluded at 5:52 pm.

Approved by the Commission:

President of Commission: Jill Buhler \_\_\_\_\_

Secretary of Commission: Marie Dressler \_\_\_\_\_

FROM: Barbara York – Medical Staff Services  
RE: 5/31/2016 Medical Executive Committee appointments/reappointments and annual policy review recommendations for Board approval 6/15/2016

C-0241

§485.627(a) Standard: Governing Body or Responsible Individual

The CAH has a governing body or an individual that assumes full legal responsibility for determining, implementing and monitoring policies governing the CAH'S total operation and for ensuring that those policies are administered so as to provide quality health care in a safe environment.

Interpretive Guidelines §485.627(a)

*It is the responsibility of the governing body (or responsible individual) to appoint, with the advice of the medical staff, the individual practitioners to the medical staff. After considering medical staff recommendations, and in accordance with established CAH medical staff criteria and State and Federal laws and regulations, the governing body (or responsible individual) decides whether or not to appoint new medical staff members or to continue current members of the medical staff.*

Recommended appointment to the provisional active/courtesy/allied health staff:

1. Osland, John, MD – Orthopedic Surgery
2. Huhdanpaa, Hannu, MD – Tele-Radiology

Reappointments:

Recommended reappointments to active staff with privileges as requested:

1. Ehrlich, Susan, MD -Psychiatry

Recommended Reappointments to courtesy staff with privileges as requested:

1. Atkins, David, MD – Tele-Radiology only
2. Go, Greta, MD – Diagnostic Radiology
3. Hayes, Elizabeth, MD – Diagnostic Radiology
4. Lloyd, Kelly, MD – Clinical/Anatomical Pathology
5. Shaw, Hillary, MD Tele-Radiology only
6. Shawnik, Nicholas, DO – Emergency Medicine

Recommended Reappointments to allied health staff with privileges as requested:

1. Petta, Matthew, CRNA – Nurse Anesthetist
2. Katz, Sara PA-C
3. Wambach, Gretchen, PA-C

Resignations:

1. Lin, James, MD – OB/GYN (C-section on call)
2. Reichman, Jordan, MD – Tele-Neurology

## Access and Confidentiality Agreement

### **PURPOSE:**

To adhere to applicable confidentiality laws, HIPAA policies and Jefferson Healthcare policies governing confidential information.

**SCOPE:** Hospital Staff, Volunteers, Students, Medical Staff, Commissioners

### **DEFINITION:**

You may have access to confidential information while performing your duties at Jefferson Healthcare. You are required to conduct yourself in strict conformance to applicable laws (including HIPAA policies) and Jefferson Healthcare policies governing confidential information. Your principal obligations in this area are explained below. The violation of any of these duties will subject you to discipline, which might include but is not limited to termination of employment/medical staff status and privileges and to legal liability.

Confidential information includes patient records, employee personnel/ payroll/ employment medical records, medical staff credentialing records, financial and operating data, records pertaining to the quality improvement process and any other information of a private or sensitive nature. Employees may not look up another employee's information in the electronic record even at the employee's request. Employees may not access the record of their spouse, their partner, their adult children, their friends or relatives unless the information is required to allow them to perform assigned duties of their employment (see Policy Employees Accessing Their Own or Family Member's Medical Records). These matters should only be discussed in the appropriate business or clinical setting on a need to know basis.

You may not release any official information concerning any aspect of the hospital, patients or operations. Only the administrator or designee can authorize the release.

In your duties at Jefferson Healthcare, you understand that you may have access to confidential information. This confidential information may include but is not limited to information relating to medical records, credentialing records, conversations, financial information, salaries, employment records, disciplinary actions, etc. Human Resources and Medical Staff Services Departments are responsible for obtaining and maintaining signed agreements. The signed copy of the agreement shown below will be kept in the appropriate Human Resources or Medical Staff file.

### **ACCESS AND CONFIDENTIALITY AGREEMENT:**

Accordingly, as a condition of and in consideration of your access to confidential information, you agree to use confidential information only as needed to perform the legitimate duties associated with your affiliation with Jefferson Healthcare. This means, among other things, that you will only access confidential information on a need-to-know basis; you will not in any way divulge, copy, release, alter or destroy any confidential information except as properly authorized within the scope of your professional activities, you will safeguard your access code or any other authorization that allows you to access confidential information including your computer log on and payroll codes, and you will report activities by any individual or entity that you suspect may compromise the confidentiality of information. You understand that your failure to comply with this Agreement may result in disciplinary action up to and including termination of employment/affiliation at Jefferson Healthcare.

Annual review – no changes

## ACCESS TO PROVIDER CREDENTIALING AND QUALITY FILES

### POLICY/PURPOSE:

It is the policy of the Medical Staff of Jefferson Healthcare to maintain the confidentiality of all records, discussions and deliberations relating to credentialing, medical staff quality assessment and peer review committees. All practitioners have the right to access their credentialing quality data files upon request. Disclosure and/or access are as follows.

### PROCEDURE:

**Location and Security:** All records shall be maintained under the care and custody of Jefferson Healthcare's Medical Staff Services Coordinator. Credentialing and peer review records must remain stored and locked in office and file cabinets except when in use for official business. Records stored electronically must have passwords and possess read/write control protections.

### ACCESS TO RECORDS:

The following individuals may access credentialing and peer review records to the extent necessary to conduct official business and as described:

1. An individual practitioner may review his or her credentials and quality assessment file providing:
  - The practitioner will contact the Medical Staff Coordinator to make an appointment.
  - The Medical Staff Services Coordinator or officer of the medical staff is present during the file review.
  - The practitioner understands that he/she may not remove any items from the credentials file.
  - The practitioner understands that he/she may add an explanatory note or other document to the file and correct erroneous information.
  - The practitioner understands that he/she may not review confidential letters of reference received during the initial appointment or any subsequent reappointment.
  - Photocopying: The practitioner may photocopy items that he/she submitted as part of the application or reappointment process (i.e., application, diplomas, licenses, clinical performance reviews, etc.). The practitioner may not photocopy any other items unless express written permission is received from the Chief Executive Officer.
  - For initial and reappointment application processes, the practitioner may receive status on his application upon request.
2. Medical Executive Committee member
3. Medical Staff Committee member conducting credentialing or peer review
4. A representative of the Governing Board
5. The Chief Executive Officer or designated Assistant Administrator
6. Medical Staff Services personnel for purposes of official medical staff committee business and routine filing of information
7. Consultants or attorneys engaged by Jefferson Healthcare
8. Representatives of regulatory or accreditation agencies

**SUBPOENAS:**

The hospital will refer all subpoenas pertaining to medical staff records to the Risk Manager and Medical Staff Services Coordinator, who shall consult with legal counsel regarding appropriate response and shall notify the involved practitioner and the Chief of Staff.

**VERIFICATION OF INFORMATION:**

Routine requests for verifications of affiliation and appointment, reappointment and privileges recommendations shall be released with an appropriate release of information form signed by the practitioner. Routine releases shall not be kept on file. Legal counsel will be obtained by Medical Staff Services Coordinator for release of adverse information and such release shall be documented.

**DOCUMENTATION OF ACCESS:**

Any person accessing credentialing or quality assessment files (other than Medical Staff Services personnel conducting routine medical staff file upkeep) shall sign and document the purpose and date of the access on the *Access and Released Information* form to be kept in each file.

**REFERENCED DOCUMENTS:**

NCQA, CR.1, Element B



JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368

TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: APRIL 2016 WARRANT CANCELLATIONS

State law requires you to pass a resolution canceling any warrants which are not presented to the Treasurer for payment within one year of issue.

DATE	WARRANT	AMOUNT
4/28/2015	215179	\$ 359.60

TOTAL: \$359.60

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: APRIL 2016 BAD DEBT, ADMINISTRATIVE, AND CHARITY CARE WRITE OFFS**

Submitted for your approval are the following:

	APRIL	APRIL YTD	APRIL YTD BUDGET
Bad Debts:	\$168,309.24	\$1,025,571.59	\$1,362,460.24
Charity Care:	\$133,486.44	\$337,416.60	\$391,666.36
Other Administrative Adjustments:	(\$238,382.53)	\$67,759.16	\$67,759.52
	<hr/>		
<b>TOTAL FOR MONTH:</b>	<b>\$63,413.15</b>	<b>\$1,430,747.35</b>	<b>\$1,821,886.12</b>
	<hr/> <hr/>		

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: APRIL 2016 WARRANT SUMMARY**

**The following items need to be approved at the next commission meeting:**

General Fund Warrants & ACH Transfers	<b>\$6,305,809.57</b>	(Provided under separate cover)
Bad Debt / Charity	<b>\$63,413.15</b>	(Attached)
Canceled Warrants	<b>\$359.60</b>	(Attached)

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: APRIL 2016 GENERAL FUND WARRANTS & ACH  
FUND TRANSFERS**

**Submitted for your approval are the following warrants:**

**GENERAL FUND:**

**225373 - 226155                      \$3,288,334.79**

**ACH TRANSFERS                      \$3,017,474.78**

**\$6,305,809.57**

**YEAR-TO-DATE:                      \$30,779,502.66**

Warrants are available for review if requested.

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: MAY 2016 BAD DEBT, ADMINISTRATIVE, AND CHARITY CARE WRITE OFFS**

Submitted for your approval are the following:

	MAY	MAY YTD	MAY YTD BUDGET
Bad Debts:	\$294,362.88	\$1,319,934.47	\$1,703,075.30
Charity Care:	\$67,900.16	\$405,316.76	\$489,582.95
Other Administrative Adjustments:	\$15,300.90	\$83,060.06	\$84,699.40
	<hr/>		
<b>TOTAL FOR MONTH:</b>	<b>\$377,563.94</b>	<b>\$1,808,311.29</b>	<b>\$2,277,357.65</b>
	<hr/> <hr/>		

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: MAY 2016 WARRANT SUMMARY**

**The following items need to be approved at the next commission meeting:**

General Fund Warrants & ACH Transfers	<b>\$8,753,843.89</b>	(Provided under separate cover)
Bad Debt / Charity	<b>\$377,563.94</b>	(Attached)
Canceled Warrants	<b>\$91.38</b>	(Attached)

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: MAY 2016 GENERAL FUND WARRANTS & ACH  
FUND TRANSFERS**

**Submitted for your approval are the following warrants:**

**GENERAL FUND:**

**226156 - 227028                      \$5,659,661.29**

**ACH TRANSFERS                      \$3,094,182.60**

**\$8,753,843.89**

**YEAR-TO-DATE:                      \$39,533,346.55**

Warrants are available for review if requested.

JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368

TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: MAY 2016 WARRANT CANCELLATIONS

State law requires you to pass a resolution canceling any warrants which are not presented to the Treasurer for payment within one year of issue.

DATE	WARRANT	AMOUNT
5/11/2015	215421	\$ 23.58
5/18/2015	215589	\$ 12.00
5/18/2015	215644	\$ 25.00
5/28/2015	216099	\$ 30.80

TOTAL: \$91.38



JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

RESOLUTION 2016-14

A RESOLUTION CANCELING SAID WARRANTS IN  
THE AMOUNT OF \$450.98

WHEREAS warrants of any municipal corporation not presented within one year of their issue, or, that have been voided or replaced, shall be canceled by the passage of a resolution of the governing body.

NOW, THEREFORE BE IT RESOLVED THAT:

In order to comply with RCW 36.22.100, warrants indicated below in the total amount of \$450.98 be canceled.

Date of Issue	Warrant #	Amount
04/28/2015	215179	359.60
05/11/2015	215421	23.58
05/18/2015	215589	12.00
05/18/2015	215644	25.00
05/28/2015	216099	30.80
<b>Total</b>		<b>\$450.98</b>

APPROVED THIS 15<sup>th</sup> day of June, 2016.

JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

APPROVED BY THE COMMISSION:

Commission President – Jill Buhler: \_\_\_\_\_

Commission Secretary – Marie Dressler: \_\_\_\_\_

Attest:

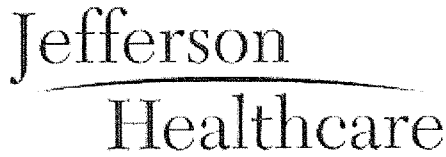
Commissioner – Anthony De Leo: \_\_\_\_\_

Commissioner – Kees Kolff: \_\_\_\_\_

Commissioner – Matt Ready: \_\_\_\_\_

Current Status: *Active*

PolicyStat ID: 1633607



**Origination:** 07/2014  
**Last Approved:** 06/2015  
**Last Revised:** 06/2015  
**Next Review:** 06/2016  
**Owner:** *Suzy White: Executive Admin Assistant*  
**Policy Area:** *Administration Policies*  
**References:**

## Emergency Chief Executive Officer Succession

### POLICY:

In order to protect the Board of Commissioners from sudden loss of Chief Executive Officer (CEO) services, the CEO will have no fewer than two named executives sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.

### PROCEDURE:

The CEO names Hilary Whittington, Chief Financial Officer (CFO) and Lisa Holt, Chief Ancillary Officer (CAO) as individuals to serve in place of the CEO in case of sudden loss of CEO services.

The CEO recommends Hilary Whittington, CFO to be the Commission's first choice, and be recognized as acting CEO in the CEO's absence.

Both individuals have good familiarity with the Board and with CEO issues and processes and could adequately fill in during sudden CEO absence.

### REFERENCED DOCUMENTS:

Reference Type	Title	Notes
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### Attachments:

No Attachments

Approver	Date
Suzy White: Executive Admin Assistant	04/2015
Suzy White: Executive Admin Assistant	05/2015
Suzy White: Executive Admin Assistant	06/2015